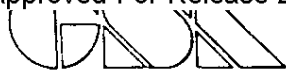


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AdministrationFederal Supply
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Washington, DC 20406

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GENERAL SERVICES ADMINISTRATION
WASHINGTON, D.C. 20406
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Mr. Harry E. Fitzwater
Deputy Director of Administration
Central Intelligence Agency
Washington, DC 20505

Dear Mr. Fitzwater:

We would like to inform you of the General Services Administration's (GSA) newest initiative to improve Federal travel management--the use of commercial charge cards and travelers' cheques as the primary means to pay for employee travel expenses. While this may represent a radical departure from past practices in Government, it is a method which is used extensively by more than 350,000 private firms, both large and small. We plan to implement this program on a pilot basis in October of this year, and estimate it will lead to annual savings of more than \$200 million once fully-implemented Government-wide.

The current payment system for Federal travel, which consists principally of Government Transportation Requests (GTR's) and cash advances, has long been regarded as labor intensive, costly to administer, and extremely inefficient. At the same time, the Government traditionally has been reluctant to venture into the charge card medium due to fears of potential abuse and increased liability exposure for the Government. A great deal of care and effort has gone into the design of GSA's proposed payment system to ensure against both concerns.

Beginning October 1, 1983, GSA and six additional agencies will inaugurate the new payment system. Other participants include the: U.S. Army Corps of Engineers; Federal Home Loan Bank Board; National Credit Union Administration; and major components of the Departments of State, Agriculture, and Commerce. Employees designated by each participating agency as frequent travelers will be issued individual charge cards to be used to acquire transportation, lodging, meals, automobile rentals, and other official travel expenses. In addition, travelers' cheques will be issued in lieu of cash advances to cover miscellaneous travel expenses, such as tips, ground transportation, light meals, etc. Upon completing their travel, employees will file claims for reimbursement and will be reimbursed for allowable expenses. Subsequently, they will be billed by, and remit directly to, the charge card company. There will be no liability on the Government's part for payment of those charges. In addition to individual cards, a limited number of cards will be issued in the name of the department or agency to be used as needed by infrequent travelers, as well as to purchase tickets and other travel arrangements on a group basis. The statements for such purchases will be sent directly to the agency for payment.

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We are extremely excited about the many advantages offered by this system, and trust that you also will recognize the substantial gains to be achieved not just in savings to the taxpayer, but in improved service to Federal travelers.

The cost both to Government and to the airline industry to process GTR's, which is estimated to be \$23 million annually, will be substantially reduced. The cost of staffing and administering over 10,000 separate cashier operations throughout the Federal Government, many of which exist principally to serve the needs of travelers, can be substantially reduced by eliminating the use of cash advances. More importantly, the Government can eliminate a major negative cash flow problem currently associated with cash advances, which at any given time account for more than \$250 million outstanding in obligations. Problems such as employee delays in submitting claims for reimbursement and failures to turn in unused tickets for refunds, which delay further the reconciliation of obligated funds, should disappear with the added incentives to process travel payment vouchers quickly and accurately.

The traveler will gain improved services such as toll-free customer assistance access, 24-hour emergency card and travelers' cheque replacements. Federal travel will be made easier, simpler, and consistent with prevailing practices in the private sector. At the same time, charge card companies will be able to provide much better management reports than those presently maintained in order to aid you in controlling travel costs.

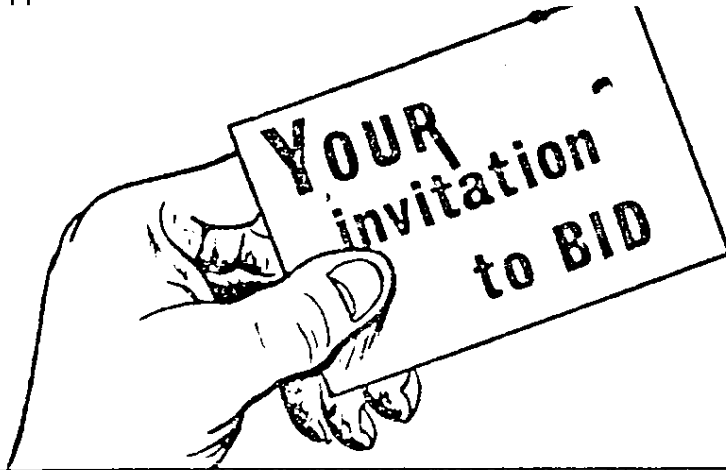
To assist you in better understanding this program, we have enclosed salient portions of the solicitation issued by GSA on July 8, 1983. The solicitation closes on August 8, and may result in separate contracts for charge cards and travelers' cheques, or a single contract for both, based upon our evaluation of the resulting offers. We expect to award the contract(s) in September in order to meet the October 1 implementation date, and anticipate a relatively rapid phase-in of additional departments and agencies commencing in 1984. We look forward to working with you and your representatives in this regard, and to better satisfying our mutual goal of improved services at a lower cost to the taxpayer.

Sincerely,



L. L. MITCHELL
Assistant Administrator

Enclosure



NOTICE TO PROSPECTIVE BIDDERS

SOLICITATION NO. FTEV-FTE-032-N-8-8-83

REQUIREMENTS CONTRACT

FOR

TRAVEL AND TRANSPORTATION PAYMENT SYSTEM

ANY INFORMATION THAT MAY BE DESIRED ON THIS PARTICULAR SOLICITATION CAN BE OBTAINED FROM THE ISSUING OFFICE ADDRESS SHOWN HEREIN.

SOLICITATION COPIES. To reduce costs, only a single copy of this solicitation is mailed to addressees on our bidders mailing list. If additional copies are required, you may reproduce them yourself, provided they are complete in every respect, or you may obtain them from the GSA Business Service Center, National Capital Region, 7th and D Streets, SW., Washington, DC 20407, or from the personnel listed on Page 5.

(THIS NOTICE SHOULD BE REMOVED BEFORE BID IS SUBMITTED TO GSA)

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C	SUPPLEMENTAL PROVISIONS
D	PROPOSAL FORMAT
E	PARTICIPATING AGENCIES
F	EVALUATION CRITERIA
G	METHOD OF AWARD

SECTION C

SUPPLEMENTAL PROVISIONS

C-1. SCOPE OF CONTRACT.

This is a requirements contract for a commercial travel and transportation payment and expense control system which will provide travelers cheques and charge cards for official travel and related travel expenses on a worldwide basis; attendant operational and control support, and management information reports for expense control purposes. The Federal agencies initially participating in the program and the annual rate of business volume are listed in Section E. It is the Government's intention to extend the coverage of this contract to all Federal agencies over a 3 year period. The first year's annual billings are estimated to be in excess of the annual rate of \$200 million. It is estimated that travelers cheque annual billings under the contract could exceed \$3.5 billion. These amounts are estimates only and furnished to bidders for informational purposes only and shall not be construed to represent any amount which the Government or its employees shall be obligated to purchase or expend under the contract. Offerors may submit proposals for either cards and/or travelers cheques and need not make an offer for both products. Offerors must be capable of servicing the total requirements contained in this solicitation on the item(s) for which offers are submitted. Cards and cheques issued under this contract will be used solely for official United States Government business.

C-2. BACKGROUND

Historically, the Federal Government has purchased transportation relating to travel directly from either common carriers, Scheduled Airline Traffic Offices (SATO's) or commercial travel agents under contract to the Government. This transportation has been paid for by Government Transportation Request (GTR) which is an ordering and payment document. Travelers have been given a cash advance to pay for lodging, subsistence, and miscellaneous expenses of between \$50 and \$75 in the coterminus United States per day based on the locality to which travel is authorized. Entitlements can be higher for travel outside the coterminus United States. The employee has not been precluded from exceeding allowances on a personal, out of pocket basis. Upon completion of travel, the employee reconciles his/her account with the agency finance office. The finance office pays the provider of transportation directly and reimburses the employee up to the limit of authorized expenditures.

Under the proposed system, vendors would be paid either by the card company and/or with cash or travelers cheques as is appropriate. Not all travelers cheques used by the Government will be procured through this contract. Federal travel management centers under existing Government contracts may issue travelers cheques in certain instances apart from the provisions of this contract. In most cases, the card issuer will send its bill directly to the employee who is responsible for the payment of his/her debt. Employees will continue to be reimbursed by agency finance offices for their authorized expenditures. The Federal agency will reimburse the travelers cheque issuer for cheques following their issuance. Certain agencies or their organizational components may choose to have a limited number of cards issued to specific offices within their organization with the billings for these cards being sent directly to the agency for payment. In these instances payment shall be made directly to the issuer by the agency finance office.

C-3. NECESSARY FINANCIAL CAPABILITIES.

The offeror must have sufficient financial capacity, working capital, and other financial, technical, and management resources to perform the contract. The offeror shall understand that there may be a large number of diverse Federal agencies participating in the Travel Payment System Program. The offeror should understand that the system being procured is materially different from the way in which the Government currently operates and that transition from its internal system to a system operated by private industry can only be achieved effectively through mutual effort. The offeror must be prepared to issue cards to Federal employees at the Federal agencies direction without credit worthiness checks. Individual Federal agencies may without incurring any liability therefore assist in the collection process 60 days after initial billing if the individual traveler has not paid his/her bills. It should be understood, however, that the Government cannot withhold payments from an employee's salary to discharge bad debts. Since payments will be made directly by the cardholder and not the Government for cards issued directly to employees under Section C-4.a. of this contract, the contract is not subject to the provisions of the Prompt Payment Act of 1982 for payments made directly by the employee. Payments made by the agency finance office are subject to the provisions of the Act.

C-4. STATEMENT OF WORK.

The Government requires a transportation and travel payment system similar to the commercially available level of service, which will have two distinct components: (1) official charge cards, and (2) travelers cheques. The official charge cards will be required as two differentiated products. One will be issued and billed directly to named individuals, the second will be issued and billed directly to Government agencies, bureaus, divisions, offices, or other organizational elements.

- a. The card issued to named individuals will be required minimally to have the following product characteristics:
 - (1) Individual billing;
 - (2) No interest or late charges;
 - (3) Issuance at Government direction without prior credit approval;
 - (4) The Government shall not assume any liability for unpaid bills or for lost and stolen cards;
 - (5) Bills shall be presented not more frequently than monthly;
 - (6) 24 hour emergency card replacement;
 - (7) Emergency personal check cashing capability;
 - (8) Bill adjustment capability with toll free telephone line availability;
 - (9) No pre-set expenditure expense limit assuming no negative payment history on an individual account;

C-4. STATEMENT OF WORK (CONT'D).

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(10) Broad geographic range of acceptance at:

- 0 All domestic common carriers;
- 0 International common carriers;
- 0 Car rental agencies;
- 0 Lodging establishments;
- 0 Restaurants;

(11) Confirmed lodging reservations;

(12) Immediate ability to cancel organizationally issued cards;

(13) Ability to issue individual agency card after official notification.

c. Travelers Cheques.

(1) Broad range of acceptance by merchant establishments and financial institutions.

(2) Same day refundability for lost and stolen travelers cheques at specified locations.

(3) Wide range of denominations:

- 0 In prepacks from \$50 per pack;
- 0 In loose cheques if individual agency requirements so state;

(4) Inventory replenishment options such as:

- 0 Automatic replenishment to preestablished standard;
- 0 Toll free telephone line reorder capability.

C-5. CARD MANAGEMENT INFORMATION REQUIREMENTS.

The offeror must be currently capable of delivering management information system reports on a timely basis or have a plan for providing MIS reports on a timely basis. Offerors must be capable of furnishing MIS reports in a variety of media such as e.g., microfiche or computer tape. The following indicate the Government's minimum reporting requirements:

- (a) Monthly account activity listing all credits, charges to individual account number and previous balance;
- (b) Monthly individual charge activity identifying expenses by category with current period and year to date totals;
- (c) Monthly exception report identifying accounts where lost, stolen, or canceled cards have current use and past balances;

C-5. CARD MANAGEMENT INFORMATION REQUIREMENTS (CONT'D).

- (d) Monthly aging analysis listing accounts past due by 60, 90, 120+ day history;
- (e) Periodic account listing displaying all individual and agency accounts by agency of individual user in alphabetical order;
- (f) Monthly airline credit report identifying all credit transactions including refunds by individual and agency account;
- (g) Semi-annual supplier analysis aggregating dollar volume by supplier;
- (h) Semi-annual airline analysis by city-pair in aggregate.

C-6. CARD ISSUANCE AND CANCELLATION.

Where the Government provides instructions to issue or cancel a card telephonically written confirmation will follow.

C-7. GOVERNMENT'S OBLIGATIONS.

This request does not commit the Government to award a contract or to pay any costs incurred in the submission of proposals, or cost incurred in making necessary studies for the preparation thereof, or to procure or contract for services or supplies. The Government reserves the right to reject any or all proposals, to negotiate with any offeror(s) considered qualified, or to make award without further discussions.

C-8. UNNECESSARILY ELABORATE BROCHURES.

Offerors should limit the scope of their proposals to the requirements of the Proposal Format (Section D). Unnecessarily elaborate brochures and other presentations beyond that sufficient to present a complete and effective proposal are not desired. Elaborate art work, expensive paper and bindings and expensive visual and other presentation aids are neither necessary nor desired.

C-9. NONCONFORMING TECHNICAL PROPOSALS.

To be considered, the offeror must submit a definitive proposal, as requested by this solicitation for the work to be accomplished under the proposed contract. Proposals which merely offer to conduct a program in accordance with the general requirements of the Government's Statement of Work (C-4) will be considered nonconforming to this solicitation and will not be considered.

C-10. GOVERNMENT EMPLOYEE'S OBLIGATIONS.

Government regulations require employees to pay their just financial obligations in a proper and timely manner pursuant to Section 206 of Executive Order 11222 (May 8, 1965), and Office of Personnel Management Regulations, 5 C.F.R. 735.207. The appropriate Government agency office without Government liability, may assist in the collection process of individual delinquent accounts after sixty days at the request of the contractor.

- a. Because of the potentially high volume of card contractor revenues which this program is likely to generate, the Government does not anticipate any fees being required by potential offerors. However, in the event that an annual management fee is included as a part of any offer, such fee shall be evaluated as one of the factors in such offer. For travelers cheque offerors, a remittance schedule and retained commission schedule, if any, will also be evaluated as one of the factors in such offer. The Government shall pay the contractor for supplementary services that it may require from time to time, on a fee basis which shall be established through negotiation.
- b. Billing and payment procedures will be established with each Federal agency receiving services under this contract. This provision applies only to Sections C-4.b and C-4.c. of the Statement of Work.

C-12. CONTRACT PERIOD.

The contract will be effective October 1, 1983, for twelve months. The Government reserves the right at its sole option to renew the contract for up to four additional twelve month periods. A notification of exercise of such option shall be made at least thirty days prior to the end of each twelve month period.

C-13. GOVERNMENT IDENTIFICATION.

The Government reserves the right to require the successful offeror to place an appropriate description on the face or reverse side of the card and/or travelers cheque referencing this contract or the fact that the card is issued at the direction of the General Services Administration or other Federal agency.

C-14. CONTRACTOR'S PROJECT MANAGEMENT.

The contractor shall provide full time project management which would be responsible for the administration, supervision and coordination of its operation.

C-15. CONTRACTOR'S CARD QUALITY CONTROL PROGRAM.

The contractor should identify minimum standards for card operations in the following areas:

- 0 Inquiry response;
- 0 Issuance;
- 0 Replacement capability;
- 0 Billing procedure;
- 0 Credit collection;
- 0 Cancellation;

and for traveler's cheque operations in the following areas:

- 0 Inventory replenishment;
- 0 Refundability.

C-15. CONTRACTOR'S CARD QUALITY CONTROL PROGRAM (CONT'L).

The General Services Administration shall be notified of aggregate customer complaints and resulting corrective action in a monthly narrative report to be furnished by the contractor with the MIS reports required in Section C-5.

C-16. CONTRACTOR-FURNISHED EQUIPMENT.

The contractor shall provide all necessary office equipment, furnishings, supplies, systems, communications services, and related items necessary to conduct its operation, and in order to fulfill the contract requirements.

C-17. FACILITIES INSPECTION.

The Government will conduct on-site inspection of any or all facilities prior to contract award.

C-18. GOVERNMENT'S ABILITY TO AUDIT TRANSPORTATION CHARGES.

The offeror must provide the Government with a complete listing of all common carrier transactions including refunds and adjustments with the hard copy or facsimile of all common carrier records of charge in order to enable GSA to audit carrier charges to the Government pursuant to Section 322 of the Transportation Act of 1940 (31 U.S.C. 3726), see also, 41 C.F.R. 101-41.101. Each monthly report or record of charge must show the traveler's name and agency, date of travel, and leg-by-leg routing showing origin and destination, carrier, class of service and fare. This report must be sent monthly to United States General Services Administration, Office of Plans, Programs and Financial Management, Transportation Audits (BW), Washington, DC 20405. See also Section C-5(f).

C-19. GOVERNMENT RIGHT TO INSPECTION.

In addition to any other inspection clauses in this contract, participating Federal agency Offices of Inspectors General shall have access to all transactional records under this contract.